

HAMILTON FISH ARMSTRONG  
EDITOR

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# FOREIGN AFFAIRS



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special delivery

Dear Allen:

As you asked, I have hurriedly dictated these two brief memoranda, one covering the salient facts of what Shawcross said last night, the other giving my ideas on the meaning of the Djilas purge in Yugoslavia.

In haste,

As ever,

*Ham*

enc.

Honorable Allen W. Dulles  
Central Intelligence Agency  
2430 E Street, N.W.  
Washington 25, D. C.

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The political evolution in Yugoslavia which has culminated in the expulsion of Djilas began several years ago. The opportunity which some leading Yugoslav Communists had to travel abroad opened the eyes of many of them to the error of much Communist doctrine. One matter, for example, which attracted their intense interest was the fact that there seemed to be a possibility for social progress by "unconscious" Socialists or by persons who "unconsciously" were using Socialist methods. Thus, on various occasions I had long talks in Belgrade with leaders like Kardelj, Vilfan, Mates and Dedejier, all of whom expressed intense interest in my description of the origins and progress of an enterprise like TVA. I said TVA had not consciously originated in any ideology but had simply grown out of the needs of the situation and had been pursued with ordinary American ingenuity and energy to a successful conclusion which to European Socialists might seem Socialistic, but to Americans seemed merely practical common sense.

This sort of discussion has been increasing in Yugoslavia and has broadened into consideration of political as well as economic matters, especially the practicability of "one-party democracy" and similar concepts. The discussion was encouraged by leaders like Kardelj and Pijade, and was not discouraged by Tito himself. This proceeding was not altogether popular with the lower Communist officials, especially outside of Belgrade. They were suspicious of the new cosmopolitanism of leaders like Djilas, who often went abroad, and resented the military and economic ties being formed with the West. They feared that this might lead to political ties such as membership in NATO. Nevertheless, I do not believe that there would have been any showdown like the one which has now occurred without the recent fiasco of diplomacy with regard to Trieste.

Tito has told many persons in confidence - myself included - that a solution of the Trieste question roughly along the lines of the division be-

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tween Zones A and B would not be unacceptable; what proved unacceptable was to offer Zone A to Italy while leaving the future of Zone B sufficiently unclear to enable Pella to enter a claim to it. This misunderstanding of Tito's position, plus the fact that no provision was made for the commercial use of the port of Trieste by the hinterland and no rights were guaranteed the large Slovene minority, was a shock to Yugoslav opinion and greatly increased the strength of the party members who were opposed to the gradual orientation of Yugoslavia towards the West. I think that in the circumstances which have prevailed in the past couple of months, Tito was in part unable to assuage anti-Western feeling among many of his own followers and, in addition, was himself not adverse to "showing the West" that if they treated Yugoslav interests with such scant consideration he could, and would, retaliate. Unless we move energetically to correct the mistake, I think we shall pay still more heavily for it.

Sir Hartley Shawcross and his wife had dinner with us last night. There were two interesting points in the conversation.

One, Shawcross favors a top-level meeting with the Russians, not because he thinks it will produce tangible results, but because it is needed in order to show our willingness to explore every avenue and thus reassure public opinion on the Continent.

Two, he considers that the situation in France is becoming desperate and that, even though he is a Socialist, he would be prepared to welcome a strong Rightist government there in order to ward off the danger of a popular front including the Communists which would signify the breakdown of the present alliance.

My criticism of these positions was:

One, that a top-level conference would tend to "bring things to a head," whereas our best hope of avoiding war is to prolong the status of coexistence in the hope that there may be some change inside the Soviet régime, perhaps by the appearance of some "heresy" as in Yugoslavia, or by the rise of a military leadership, etc.

Two, that the extreme Right in France is so reactionary and stupid that a government under its domination would become so unpopular that in the end the Communists would be strengthened.

Shawcross said he thought both objections were valid, but that he felt heroic measures were needed if Britain and the United States were not to be left alone as the only strong opponents of Communism, apart from Germany who, in those circumstances, would be an important but dangerous factor.

*Note: Recopied a report sent me 10/1/54 to ER 5-1330.*